

## Message Text

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PAGE 01 TUNIS 01734 100820Z

ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-01 H-02 INR-10 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 USIA-15 SP-02 SOE-02 OMB-01  
DOE-11 /111 W

-----051166 110946Z /23

R 091534Z MAR 78

FM AMEMBASSY TUNIS

TO SECSTATE WASHDC 280

INFO AMEMBASSY RABAT

UNCLAS TUNIS 1734

RABAT FOR AGATT KUHL

E.O. 11652: N/A

TAGS: EAGR, ECON, TS

SUBJECT: TAXES CUT ON BEEF, MUTTON AND EGGS

1. IN AN ATTEMPT TO KEEP DOWN RETAIL PRICES OF BEEF AND MUTTON, GOT HAS SUSPENDED CUSTOMS DUTIES AND PRODUCTION TAXES, TOTALLING NEARLY 40 PERCENT IN IMPORTS, FOR A ONE-YEAR PERIOD FROM JANUARY 1, 1978. IT HAS ALSO SUSPENDED TAX ON EGGS FOR TWO MONTHS IN ATTEMPT TO INCREASE DOMESTIC SUPPLY.

2. DECREE NO. 78-158 PUBLISHED IN OFFICIAL JOURNAL FEBRUARY 28 STATED DUTIES/TAXES SUSPENDED FOR PERIOD OF ONE YEAR ON FOLLOWING: LIVING ANIMALS OF BOVINE SPECIES INCLUDING BUFFALO; LIVING ANIMALS OF OVINE SPECIES; FROZEN OR FRESH MEAT OR EDIBLE OFFAL, BOTH BOVINE AND OVINE.

3. MINISTRY OF COMMERCE SPOKESMAN SAID CUTS MADE TO KEEP IMPORTED MEAT PRICES AT THEIR CURRENT LEVEL, FOLLOWING PRICE INCREASES BY TUNISIA'S FOREIGN  
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PAGE 02 TUNIS 01734 100820Z

SUPPLIERS. RETAIL PRICES OF BEEF AND MUTTON IN TUNISIA ARE FIXED BY MINISTRY OF COMMERCE BUT CONTROLS ARE NOT VERY EFFECTIVELY ENFORCED OUTSIDE TUNIS. CURRENT OFFICIAL PRICES ARE: BEEF-BONELESS \$2.72/KILO, WITH BONE \$2.22/KILO; MUTTON-SHOULDER \$2.10/KILO, LEG \$2.35/KILO. UNOFFICIAL PRICE FOR MUTTON IS ABOUT \$4.40/KILO.

4. IN 1976, LATEST YEAR WITH COMPLETE STATISTICS, TUNISIA IMPORTED 5,405 TONS OF BEEF WORTH \$6.8 MILLION. MUTTON IMPORTS WERE 3,699 TONS, WORTH \$4.7 MILLION.

5. MOVEBY GOT, AT BEHEST OF NATIONAL FARMERS UNION, TO SUSPEND TAX ON EGGS FOR TWO MONTH PERIOD (MARCH AND APRIL) IS EXPECTED TO IMPROVE EGG SUPPLY TO DOMESTIC MARKET. RETAILERS IN TUNISIA HAVE PAID LOCAL PRODUCERS 28 MILLIMES PER EGG PLUS A 2 MILLIMES PER EGG MUNICIPAL TAX--THUS LEAVING THEM NO PROFITS FROM THE CURRENT 30 MILLIMES/EGG LEGAL RETAIL SELLING PRICE. EGGS BECAME SCARCE SINCE RETAILERS REFUSED TO SELL EGGS ON MARKET UNTIL THEIR 2 MILLIMES PER EGG PROFIT WAS RESTORED. GOT HAD OPTION TO EITHER INCREASE RETAIL PRICE OR SUSPEND MUNICIPAL TAX; IT CHOSE LATTER STEP TO KEEP RETAIL PRICE AT CURRENT LEVEL. (EGGS ARE IMPORTED INTO TUNISIA ONLY AT PEAK CONSUMPTION PERIODS, SUCH AS MONTH OF RAMADAN, WHEN LOCAL PRODUCTION DOES NOT MEET DOMESTIC DEMAND.)  
MULCAHY

NOTE BY OC/T: TELEGRAM DELAYED IN TRANSMISSION  
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PAGE 03 TUNIS 01734 100820Z

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NNN

## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
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**Disposition Approved on Date:**  
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**Errors:** N/A  
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**Type:** TE  
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**Review Markings:**  
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